



QUICK GUIDE TO: THE SEP IRA

CONTRIBUTIONS & MATCHING

- Contributions of 25% of net earnings up to **\$57,000** for 2020, and **\$58,000** for 2021.
- Employer must contribute the same percentage to all eligible employees.
- You do not need to contribute every year.
- Contributions to employees are 100% vested.
- Employer contributions must be made by the due date (including extensions) for filing your taxes.

TAX ADVANTAGES

- Contributions from the business are deductible on the employer's income tax return.
- Elective contributions and investment gains enjoy tax deferral until distribution.
- **Roth option NOT available.**

FILING & COMPLIANCE

- Employer does not need to file a 5500.
- Discrimination testing is not required.